

BILL ANALYSIS

Senate Research Center

H.B. 122
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Intergovernmental Relations
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Engrossed

DIGEST AND PURPOSE

Currently, a municipality that wants to donate property to a nonprofit organization may not do so without opening the property for bidding, which risks the loss of the property by the nonprofit association. As proposed, H.B. 122 allows a municipality of fewer than 1.9 million people to omit the bidding process if the city is donating the property to a nonprofit organization.

RULEMAKING AUTHORITY

This bill does not expressly grant any additional rulemaking authority to a state officer, institution, or agency.

SECTION BY SECTION ANALYSIS

SECTION 1. Amends Chapter 253, Local Government Code, by adding Section 253.011, as follows:

Sec. 253.011. CONVEYANCE TO NONPROFIT CORPORATION FOR PUBLIC USE.

(a) Defines "nonprofit organization."

(b) Provides that this section does not apply to a municipality with a population of 1.9 million or more.

(c) Authorizes a municipality to transfer to a nonprofit organization, for consideration described by this section, real property or an interest in real property without complying with the notice and bidding requirements of Section 272.001(a) or other law.

(d) Requires consideration for the transfer authorized by this section to be in the form of an agreement between the parties that requires the nonprofit organization to use the property in a manner that primarily promotes a public purpose of the municipality. Provides that if the nonprofit organization at any time fails to use the property in that manner, ownership of the property automatically reverts to the municipality.

(e) Requires the municipality to transfer the property by an appropriate instrument of transfer. Requires the instrument to include a provision that: requires the nonprofit organization to use the property in a manner that primarily promotes a public purpose of the municipality; and indicates that ownership of the property automatically reverts to the municipality if the nonprofit organization at any time fails to use the property in that manner.

(f) Requires the municipality, if the real property to be transferred lies outside the municipality's corporate limits and outside the county where 80 percent of the municipality's residents reside, to obtain the consent of the county commissioners court in the county where the real property is located.

SECTION 2. Effective date: upon passage or September 1, 2001.